

Exhibit K

BAYNORTH REALTY FUND VI, LIMITED PARTNERSHIP
One Financial Center, 23rd Floor
Boston, MA 02111

May 5, 2009

Via Federal Express, Overnight Delivery

Easy Street Mezzanine, LLC
c/o AVG-SL, LLC
4780 Winchester Court
Park City, UT 84098

Re: MEZZANINE LOAN DEFAULT NOTICE
Sky Lodge, Park City, Utah

Ladies and Gentlemen:

Reference is made to that certain Loan Agreement, dated as of March 30, 2006 (the "Loan Agreement"), by and between BayNorth Realty Fund VI, Limited Partnership, a Delaware limited partnership ("Mezzanine Lender") and Easy Street Mezzanine LLC, a Delaware limited liability company ("Mezzanine Borrower"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Loan Agreement.

Pursuant to Section 4.1 of the Loan Agreement, failure of Mezzanine Borrower, the Subsidiary Owner or any other party to any Senior Loan Document to observe or perform any material agreement, covenant or obligation of it contained therein shall constitute an Event of Default. The Senior Loan matured on March 30, 2009 and has not been repaid by Subsidiary Owner. This letter shall constitute notice to Mezzanine Borrower of an Event of Default in accordance with Section 4.2 of the Loan Agreement, and that the above-described Event of Default has occurred and is continuing under the Loan Agreement.

In addition to the Event of Default above, one or more additional defaults have occurred under Section 4.1(b) of the Loan Agreement, including, without limitation, the following:

1) breach of the covenant at Section 3.4 of the Loan Agreement with respect to modification of Plans and Specifications;

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- 2) breach of the covenant at Section 3.25 of the Loan Agreement with respect to a material change in the use or character of the Property on account of construction of Fin Restaurant;
- 3) the apparent breach, based on information and belief, of the covenant at Section 3.51 of the Loan Agreement with respect to the use of proceeds from the sale of Units to underwrite operating deficits of the Property without Mezzanine Lender's prior approval;
- 4) breach of the covenant at Section 3.42(m) of the Loan Agreement with respect to entering into a Material Contract with Jacobsen Alliance Group, Inc., an affiliate of Jacobsen Construction Company, Inc. without Mezzanine Lender's prior approval;
- 5) breach of the covenant at Section 3.27 of the Loan Agreement with respect to failure to construct the Improvements in accordance with the Plans and Specifications and Construction Budget; and
- 6) breach of the covenant at Section 3.42(e) of the Loan Agreement with respect to incurring of expenditures in excess of permitted line item amounts in the Budget without Mezzanine Lender's prior approval.

Nothing contained in this letter is intended to limit, nor shall it be deemed to limit or in any way affect, any of Mezzanine Lender's claims, rights or remedies under the Loan Agreement or any other Loan Documents (collectively, the "Mezzanine Loan Documents"), and nothing in this letter shall in any way modify, change, impair, affect, diminish or release any liability of Mezzanine Borrower under or pursuant to the Mezzanine Loan Documents or entitle Mezzanine Borrower to any other or further notice or demand whatsoever. Nothing contained herein, nor any failure by Mezzanine Lender to exercise any rights or remedies under the Mezzanine Loan Documents shall be deemed to constitute, nor is it intended to constitute, any waiver whatsoever of any: (i) term, provision, condition, covenant, or agreement contained in the Mezzanine Loan Documents; or (ii) rights or remedies of Mezzanine Lender under the Mezzanine Loan Documents, at law or in equity or otherwise, or prejudice or preclude any other or further exercise of any such right or remedy by Mezzanine Lender, all of which are hereby reserved. Mezzanine Lender hereby expressly reserves all of its rights and remedies under the Mezzanine Loan Documents, including, without limitation, under the Pledge Agreement, Guaranty, and Completion Guaranty.

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Sincerely,

BAYNORTH REALTY FUND VI, LIMITED
PARTNERSHIP

By: BayNorth Realty Fund VI GP, Limited
Partnership, its general partner

By: BayNorth Realty Fund VI, LLC, its
general partner

By:


Name:
Title:

cc:

WestLB AG, New York Branch
1211 Avenue of the Americas
New York, New York 10036
Attention: Bruce F. Davidson,
Global Structured Finance-Infrastructure

WestLB AG, New York Branch
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Attention: Christian Ruchmer

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Attention: Sheri P. Chromow, Esq.

Wrona & Parrish, P.C.
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Park City, Utah 84060
Attn: S. Blake Parrish, Esq.

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c/o Michael Feder
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